‘Conflicted Justifiers’ – Are these the new Luxury Consumers?

The fastest growth in terms of annual disposable income, according to OECD (2013) research has been the top 20% of households with income between $150,000 and $200,000. Reaching 649,700 households in the UK, this represents a predicted increase of 40% boosting the luxury consumer segment considerably. This rise is echoed in France and Germany. Households in the high-income segments tend to represent luxury consumption patterns so the increase in the highest income classes in Europe will simultaneously enlarge the luxury consumer segment. Literature identifies the luxury market is growing and changing, suggesting that a new type of consumer has arisen. Little can be found about the ‘new luxury consumer’ throughout literature but researchers agreed that the luxury clientele is defined by its behaviours rather than its socio-demographic profile (Kapferer & Bastien, 2012, p. 115).

Until 2000, the growth of the luxury market was driven by those consumers who purchased luxury goods occasionally as they were less wealthy. Although disproportionate to their monthly income, these consumers paid a premium price for emotionally meaningful products (Twitchell, 2001). This was mainly motivated by self-indulgence or hedonism. Nowadays, the majority of the market is made of frequent buyers. The democratization of luxury is stagnating. Less confidence from the middle classes especially in Western countries, has created a slowdown of the occasional consumption of luxury goods (Kapferer & Bastien, 2012, p. 117). Scholars, such as Okonkwo (2007, p. 60) and Solomon (2013, pp. 481-482) divided the most affluent individuals today into “old money” and “new money”. Whereas the “old money” is actually of an older generation and lives mainly on inherited funds and distinguishes itself in terms of ancestry rather than showing of their wealth, the “new money” consumers are described as self-made millionaires changing their status through hard work (Solomon, 2013, p. 482). Truong et al. earlier in 2009 characterised the new money target group as younger than clients of the old luxury; more involved with digital media; more numerous; making their money faster; more flexible in financing; and fickle in choice. Okonkwo (2007, p. 60) had already described the new luxury consumer as younger and wealthier, but these consumers additionally cherish a complete brand package out of products and services, know exactly what they want and are not lured by only brand names or pseudo-luxury offers. These consumers are significantly different from those of just 30 years ago.

Purchasing luxury items for reasons of differentiation or group affiliation, the ‘old luxury’ consumer was stimulated to demonstrate dominance over the less affluent (Husic & Cicic, 2009). Kapferer and Bastien’s contention that they only needed subtle proof to sustain rank among their peers and could disregard proof where non-peers were concerned reflects the view that discreet emphasis on ability to afford would suffice in order to display status as rare elite (Husic & Cicic, 2009). The new luxury consumer showed the same basic motivation of enhancing self-image but rather by wearing visible brands. “Today, you’re not WHAT you wear but WHO you wear.” was already stated by Twitchell (2003), which indicated the importance of symbols in order to be part of a group. Nevertheless, Husic and Cicic (2009) observed that logos of certain brands as symbols get smaller the more money paid, which emphasises the on-going conflict between ‘discreet old money’ and ‘flashy new money’. There is an unexplained contrast of this hedonistic behaviour in which consumers either treat themselves to enjoy a luxury good for their own sake or to impress others (Husic & Cicic, 2009). This historic debate about the actual motivation and influences of luxury consumption among old and new luxury consumers is still on-going throughout literature. On the one hand, it is argued that aristocrats had been more discrete and didn’t want to express their wealth by showing off but instead it was more about the ability to do so, whereas more recently the behaviour is formed from impressing oneself or others through visual possessions (Husic & Cicic, 2009). On the other hand, even earlier, Vigneron and Johnson (1999) stated the need
for luxury items as displayed status symbols influenced old and similarly new luxury consumerism. But Tsai (2005) contended that the personal dimension of luxury consumption is becoming more important, meaning that a noteworthy amount of consumers buy out of individuality rather than to impress others. Thus it is clear that the affluent can also be characterised by their values, attitudes and lifestyles. Euromonitor’s (2008), report identifies that they are younger, sophisticated, increasingly female (more women in the workforce and a changing family structure), higher educated and less willing to accept their social status acquired at birth. Being able to afford luxury goods on a regular basis, these new consumers are more inquisitive, demanding, sceptical and selective regarding products and services as well as marketing messages. Unity Marketing (2012) also highlighted that beyond this they are driven more by the experience, authenticity and value propositions of brands rather than by the possession of goods. By the inevitable praxis centricity of Strategic Business Insights (2013) the rationale of this new ‘type’ has moved from being solely driven by ‘conspicuous-elitist logic to a more individualism-democratic logic’ (Evrand and Roux 2005 cited Roper et al 2013). The personal orientation therefore is stronger, thus moving away from status display, success and distinction within the peer groups. The primary motivation, the research highlights, is a combination of ideals, achievement and self-expression. This self-expression displays taste, independence and personality rather than power. This background indicates explicitly that there is a new trend of luxury consumers. There is a wealth of literature that presents research of the global luxury fashion industry, consumer behaviour, marketing strategies and the usage of digital media as a marketing tool. However, less research has been conducted analysing the new luxury consumer and his/her behaviour to develop a deeper understanding of consumer behaviour patterns.

This preliminary study therefore focused on the Western European luxury fashion industry and the new luxury consumer segment. Using literature and secondary research to underpin two key areas (the changes of the luxury consumer and luxury consumer behaviour broadly), this research explored the identified ‘changes’ in VALS to determine whether marketing approaches could be developed. The implications drawn from the research centred on the development of an extension to segmentation praxis and theory to create understanding for organisations operating in this market and theorists undertaking consumer research.

The methodology centred on an interpretivist philosophy using inductive approaches being used to collect more insight into consumer behaviour to contribute to richer theoretical perspectives. The exploratory research uses qualitative in-depth interviews with thematic and content analysis to unpick meaning. The sample consisted of three age groups to enable the younger luxury consumer to have more of a voice. Although there has been a rise in the number of female luxury consumers, this research has also included males, particularly as the broad similarities and differences highlighted as a research opportunity by Stockburger-Sauer and Teichmann’s (2011) paper. Individual income at £80,000 per annum was used as a minimum to ensure ability to purchase luxury products although this in itself is a limitation of the study given that income does not represent disposable income. A snowball sampling method was used across Western Europe. The research determined the personal and social context surrounding consumption and was conducted using twelve 30-minute face-to-face interviews including Skype on occasion. All respondents had purchased items that could be considered ‘luxury’. The details are in appendix A. The a priori themes taken from the literature review which included Veblen’s (1899) Conspicuous Consumption and ‘Luxury for one-self’ (Vigneron & Johnson, 2004), were also discovered to varying extents. The research has identified that ‘Luxury for one-self’ has to be clearly differentiated into three sub-categories; ‘extended-self’, ‘hedonism’ and ‘utilitarianism’. Other themes, which have not yet been discussed in the context of luxury consumer behaviour yet or to a limited extent, were
uncovered through this preliminary investigation. These included ‘social responsibility’, ‘luxury shopping as all round experience’ and ‘guilt’.

Luxury for Oneself (extended self; hedonism and utilitarianism)

Motives for luxury consumption can occur in various forms, three different motives were identified through this research as significantly influencing the new luxury consumers in their purchase decisions. Unsurprisingly, the research confirmed that the Extended Self was identified as the most important influence of the purchase decision of the younger consumers. Using Mitchell’s VALS model (1983), their motivation is mainly inner-directed and their possessions are part of their identity. Luxury fashion consumption serves to a great extent the distinction of oneself to relevant others. However, other than argued by Vigneron and Johnson (2004), the motives of this consumer segment are mainly intrinsic. This disagrees with a description of the extended-self by Wright in 2006 where he stated that actual possession was the key motive rather than an expression of personality or feelings through these possessions. These consumers believe that they differentiate and express themselves in terms of style, personality and appearance as an individual rather than an expression of status and wealth. This finding was unanimous amongst the youngest segment interviewed. I1 and I2 confirmed that they express their personality who they are and their moods through their outfits and said that they first and foremost buy for themselves rather than to display wealth (show-off). Confirming Unity Marketing’s 2012 research, the preliminary research here highlighted that the new luxury consumer is a combination of ideals, achievement and self-expression, and eventually, expression, taste, independence and personality instead of the traditional view of status and power. Amongst the second group (31-40 year olds) the theme of “extended-self” is clearly less important as no respondent stated the need to express oneself or his or her personal style. Some comments indicated an interest towards expressing themselves, but overall statements were less attached to this topic. As an example I8 stated that he wants to express his style through luxury fashion consumption and feels good wearing these items but was much more driven by other influences. Similarly this type of response was found repeatedly with other respondents. At this preliminary stage, the research suggests that Wright’s (2006) notion of the extended-self being of greater importance to the younger age groups is correct. The older respondents however gave an altogether different response. These luxury consumers were significantly influenced by inner-directed motives of ‘want to feel beautiful’ (I10) or fit, sporty and attractive (I9 & I11). Thus for this group luxury fashion expressed personal feelings, moods and styles. However, again there was less importance placed on the display of status or wealth, with the focus clearly on style and personality. There was a close link between self-expression and hedonic motives uncovered here.

The research uncovered a range of views held by different age groups. With the younger and older groups focused upon expression of themselves but the middle band by this only to a limited extent, it is clear that Tsai’s 2005 work which stated that personally oriented motives generally take over in significance can be questioned by this preliminary work, given that the middle band of luxury consumers were driven by other aspects detailed later in this paper.

This research agreed with Vigneron and Johnson (2004) confirmation that luxury fashion consumption motives can be considered to be ‘reward and self-gift giving’ (hedonism). The act of shopping was seen as a rewarding balance to a stressful work life (I2) with others also confirming a pride in being able to afford. However, with the next group by age the responses were mixed with only one respondent explicitly confirming a hedonic approach to purchasing luxury fashion. Again this age group collectively gave a different response; the views expressed by the other groups were clearly omitted from discussion even when prompted. It appears based on other discussions with the respondents that there are conflicting feelings, perceptions or attitudes. The expression of purchasing for self-fulfilment, reward or other
non-rational reasons seemed to cause conflict. Often the respondents spent time ‘justifying’
their responses, which has led to the notion of ‘guilt’ within the consumers’ mentality. This is
a key finding for this research as it leads to a new targeting message for luxury fashion
marketers. The older group were split between those that were driven by self-gift giving and
fulfilment and those that appeared not to be motivated by this at all within the context of
luxury consumption. The research has identified that with this theme (hedonism), although
there seemed to be more similarities across the ages, luxury consumers cannot simply be
categorised as being majorly driven by hedonic reasons. Younger and older respondents
similarly recognised luxury consumption as reward and fulfilment. Contrary to Unity
Marketing’s study (2010) and Tsai’s early work (2005), this response challenges their notion
of hedonic approaches as a consumption driver; it does not appear to retain universality for a
mixed aged group and predominantly those between 31 and 40.

Throughout all interviews there was an explicit utilitarian statement (Utilitarianism).
Quality, unsurprisingly, was often accompanied by a statement of rational justification such
as the importance of quality linked to their purchase behaviour and extra money spent was
therefore fully justified. This can be epitomised by the following quotation (one of many) “I
hate to be boring but for me it’s just really about quality … and for the price it is really good
quality … justifies a luxury fashion piece as an investment piece’ (I2). The interviews
continually uncovered the ‘trading-off’ and justification for high prices and luxury tags. The
older age group did focus on quality, reliability and fit as key drivers expressing a utilitarian
approach to luxury consumption purchase. There was a slight tendency towards an
expression of utilitarianism from the older group (expressions of quality and reliability were
more prominent). However, a similar finding to the hedonic dimension is that the middle
group were less engaged with the expressed terminology here. Practical reasons as described
within the VALS Model (2013) are emphasised by those consumers following a more rational
decision making process of thinking, feeling and doing (Solomon, 2013).

Even the majority of youngest consumers emphasised purchasing exclusively for themselves
before considering any other opinion (if at all) so no explicit statement highlighted the
respondents’ ability to recognise a motive of conspicuous consumption. However, there
were statements, which indicated motives that were more outer-directed (Strategic Business
Insights 2013). The outer-directed indications can be epitomised by the following
quotation;“Through luxury fashion I’m having a certain appearance. I want to be seen as
modern, better than average and want to reflect my work-related success … If a brand is
worn by the masses … I definitely wouldn’t buy it … Brands kill themselves through the
mainstream!” The research found that conspicuous consumption including invidious
comparison described by Veblen (1899) was identified as the most influential driver for the
mid-age group. Taking into account McIntyre’s (1992) critique on Veblen’s initial
framework, all respondents stated a consumption of luxury fashion goods in order to display
their success at work and distinguish themselves by showing that they are better off than
others and also disassociating themselves from other groups (no matter of their actual social
status, which may or may not be similar in terms of power and wealth). One interviewee
articulated an underlying feeling (although perhaps with less severity) from many; “Even the
... intern at my company has a better iPhone than me ... So it’s not exclusive anymore ...”
(I8). His intent to distinguish himself from the ‘lower-class’ supported Veblen’s motive of
invidious comparison (1899). The trend of masstige and the democratisation of luxury made
particular brands accessible to the masses (Ko and Sung, 2007; Roper et al., 2013).

Exclusivity was highly valued by this mid-age segment. This echoed Chaudhuri and
Majumdar (2006) as they added uniqueness as a driver of conspicuous consumption. This was
clearly recognised by the entire mid-age segment. The older group want to be perceived as
good looking and fashionable. These outer-directed motives could be linked to the idea of

Mel Godfrey & Stephanie Sendler (2016)
‘youthfulness’ within Western Europe. The group indicated that the exclusive and high-quality products that they wish to wear are not chosen to display wealth, status or success but to increase attractiveness. There was no explicit statement about not seeking others’ opinions (as with the younger groups) and so conclusions cannot be drawn. All age groups expressed distaste for ‘logos’ and prefer a subtle demonstration of quality through fit, cut and exclusivity. This therefore goes beyond an aspirational consumption of luxury fashion and shows confidence without obvious ‘display’. Across the different age groups, there is a ‘light’ approach to conspicuous consumption indicated by ‘uniqueness’ (Chaudhuri and Majumdar, 2006) predominantly with the younger and older groups, and a more clearly defined outer-directed interpersonal aspect as a driver for the mid-age group. These findings are at odds with Unity Marketing’s (2012) findings.

**Social responsibility**, although not discussed within the luxury consumer literature, was identified as an important and seemingly new topic amongst all age groups and particularly the youngest. Engaging with the brand’s background, respondents suggested that the level of the brands’ social responsibility influenced purchase decisions. The research therefore has established an important area for future research given that all the respondents mentioned social responsibility as a driver for luxury fashion consumption.

The literature considers luxury shopping as an all-round experience, however this preliminary research indicates that the actual experience seems to be more influential than the literature asserts. Respondents were more likely to buy in a boutique due to the service, staff knowledge and the ability to try touch, feel and smell products and immediacy of purchase the desired products. The respondents confirmed continually that the time to enjoy this ‘all-round’ experience was a factor for purchase decisions. Time to shop is referred to as a sacrifice, which therefore must offer ‘a return’. Wanting to be treated as special and part of the ‘exclusive store atmosphere’, made the respondents feel good (linking to hedonism as a key driver). Deeter-Schmelz et al (1995) linked the store atmosphere and premium quality to the need to display or ‘show-off’. This research identified that the value derived from this shopping experience is more inner-directed and for personal fulfilment.

The mid-age consumers raised an interesting additional topic: guilt. Through several of the interviews, participants tended to offer up justifications for their statements of symbolic purchase motivations (Veblen 1899). After confident and secure statements of displaying wealth and success, justification was always given. Some of the respondents used body language to seek approval from the interviewer regarding their justifications. Justifying hedonic behaviour with a more rational approach indicated internal guilt or individual embarrassment. Others explicitly stated feelings of guilty post-purchase, but justification of the need for quality fast followed. Guilt has also been recognised with the older group. Statements about wanting to show others a purchased luxury item were followed equally by justification statements around style rather than ‘expense’. Some consumers tended to have a stronger ambition towards conspicuousness and symbolic consumption than others, but they seemed to feel guilty in their way of consumption and have some conflicting emotions they try to justify; justified conspicuousness. This theme has not seemingly been discussed in the literature in the context of luxury consumption and the new type of consumer.

There are similarities and significant differences amongst respondents. The youngest interviewees were confident, directed, driven in the main by personal inner-directed motives, tending to satisfy their need of feeling good and expressing their personality through luxury fashion consumption. Only within this age group an obvious difference between male and female respondents could be identified, where females seem to be more concerned with social responsibility and the need to feel good and express themselves. Male respondents who tended to show a more outer-directed side of their consumption by reflecting their
achievements and success through consuming brands they associate with quality, longevity and immaculate design. Therefore Stockburger-Sauer and Teichmann’s 2011 notion of gender differences across all age groups is not supported here. As all respondents disassociated themselves from logo displays, Twitchell’s framework cannot be verified. Consumers tended to have the desire to differentiate themselves from relevant others but also to please and reward themselves through luxury fashion consumption which supports Unity Marketing’s findings (2012). The middle band of respondents was strongly driven by outer-directed aspects of displaying status and wealth (Strategic Business Insights 2013). They also considered personal taste but to a significantly lower extent than the others. Exclusivity was the most important influence for all respondents, in line with their conspicuous consumption habits. This disagrees with Husic and Cicic’s framework (2009) and secondary findings such as Unity Marketing’s study (2012). Tsai’s suggestion of personal oriented motives being more important than interpersonal motives could not be justified within this age group but have yet to be clearly proved as wrong. It is reasonable to suggest on this basis that it is a combination of personal and interpersonal aspects, which influence purchase decision of this luxury consumer group. Inner and outer-directed aspects equally influenced the older consumers. Even though they put themselves and their personal tastes and feelings first, they considered their external appearance a great deal and therefore can be considered to directed by a ‘conspicuous consumption light’ approach. Similar to the youngest age group and in complete contrast to the middle band, the older group motives extend from external influences. Self-gift giving and fulfilment are also dominant amongst this consumer group as well as a justification around the utilitarian reasons for purchase decisions. This research however, has given rise to discussions about conflicted justification and guilt as influencers of purchase decisions. It was found that respondents were not alike in their motivations and influences and could therefore not be aligned to previously discussed types or segmentations of new luxury consumer. All groups to a greater or lesser extent were concerned with a brand’s social responsibility and valued an all-round experience of luxury consumption. However, there were significant differences in the occurrences of inner- and outer-directed aspects influencing luxury consumption. There were real differences with the key theorists such as Vigneron and Johnson’s (2004), Husic and Cicic (2009) and Kapferer and Bastien’s (2012) approach to segmenting the new luxury consumers. Building upon Mitchell’s VALS early model (1983) and Wiedemann’s later work (2009) this review has enabled development of these theories and an extended model that are highlighted in Appendix B and C.

Considering the implications of this research, it is possible to create a new consumer model with refinement from further research. A first suggestion is given in Appendix C. By identifying new segments, the implications for marketers and researchers into luxury consumption show a need for altered approaches. Different drivers within the luxury segments within this emerging ‘new luxury consumer’ have been identified. This contributes to a more comprehensive understanding of consumer behaviour providing further research opportunities in this changing environment. The findings indicate that this expanded understanding of motives and attitudes will help with broad marketing strategy including segmentation, product and brand development, sourcing and message targeting as well as perceptual positioning. Uncovering the conflicted justifier, evident in nearly all the respondents to a greater or lesser degree, is an important finding, as the conflicted justifier requires a greater reason to purchase than just display or esteem. Even though the research identified the change from the ‘old’ to the ‘new’ with the feel-good factors of ‘owning to display’ and ‘owning to own’, the more important implication for the luxury fashion market is the motive of ‘owning to contribute’. Subtle display, ownership and contribution to a wider society are essential attributes for those wishing to understand these consumers.
Bibliography
### Overview of interview respondents – consumers & customers of luxury

<table>
<thead>
<tr>
<th>Respondent No.</th>
<th>Age</th>
<th>Gender</th>
<th>Nationality</th>
<th>Earnings £</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>27</td>
<td>F</td>
<td>German</td>
<td>80,000</td>
</tr>
<tr>
<td>2</td>
<td>29</td>
<td>F</td>
<td>Swedish</td>
<td>85,000</td>
</tr>
<tr>
<td>3</td>
<td>26</td>
<td>M</td>
<td>French</td>
<td>120,000</td>
</tr>
<tr>
<td>4</td>
<td>20</td>
<td>M</td>
<td>German</td>
<td>90,000</td>
</tr>
<tr>
<td>5</td>
<td>38</td>
<td>F</td>
<td>British</td>
<td>80,000</td>
</tr>
<tr>
<td>6</td>
<td>39</td>
<td>F</td>
<td>British</td>
<td>80,000</td>
</tr>
<tr>
<td>7</td>
<td>34</td>
<td>M</td>
<td>German</td>
<td>100,000</td>
</tr>
<tr>
<td>8</td>
<td>37</td>
<td>M</td>
<td>French</td>
<td>200,000</td>
</tr>
<tr>
<td>9</td>
<td>50</td>
<td>F</td>
<td>German</td>
<td>140,000</td>
</tr>
<tr>
<td>10</td>
<td>48</td>
<td>F</td>
<td>British</td>
<td>190,000</td>
</tr>
<tr>
<td>11</td>
<td>49</td>
<td>M</td>
<td>German</td>
<td>210,000</td>
</tr>
<tr>
<td>12</td>
<td>47</td>
<td>M</td>
<td>British</td>
<td>250,000</td>
</tr>
</tbody>
</table>
Appendix B: Proposed New Segments for the Luxury Consumer

The ‘Confident Feeler’ is an independent consumer who already knows what he wants. As impulsive and very emotional, they want to feel good and express their taste, style and personality through luxury fashion. They value high quality and see luxury fashion consumption as a reward for what they achieve. Without the intention of showing off, the ‘Confident Feeler’ is a very personal focused consumer. They like to be unique and value an all-round shopping experience. This consumer considers a brand’s social engagement in his purchase decision. However, luxury fashion brands are perceived as too accessible and anonymous in the online world.

‘Exclusive Expressionists’ are achievement and success driven but also trendy. They are more rational, and seek to limit their purchase impulsiveness. Success is defined by money and job-related status, which they like to display to their peers and non-peers. The ‘Exclusive Expressionists’ highly value exclusivity and uniqueness with a clear goal to differentiate and distinguish themselves from others. They have a confident attitude and have a personal clarity about their taste.

‘Settled Extroverts’ are already established in their consumption approaches, knowing what they want and what they can expect. They are confident and consider their personal style, feelings, moods and personality as well as their external appearance to similar extents. Being highly rational in their purchase decision based on superior quality, reliability and fit, they value more established, prestigious and predictable brands and products. Uniqueness and exclusivity are important, as is self-fulfilment through consumption. Proving their achievements to themselves as well as to the outside world motivates the ‘Settled Extroverts’.

The ‘Conflicted Justifier’ feels guilty when purchasing luxury goods but consumes on a regular basis. To solve emotional conflicts, these consumers constantly justify their purchases using utilitarian reasons. The ‘Conflicted Justifiers’ are either employing absolute rational lines of thoughts to explain and legitimate their behaviour to themselves or to others or search for approval and similar behaviour patterns amongst their peers. As these characteristics can occur across all other groups of consumers to greater or lesser extents the ‘Conflicted Justifier’ can either appear in a pure version, being mainly concerned with the legitimation of his/her behaviour, or as a light version, mixed with characteristics of other types of consumers. For this group of consumer, the marketing message is key.
Appendix C: A New Model : The New Luxury Consumers

Outer-directed

THE EXCLUSIVE EXPRESSIONIST

THE SETTLED EXTROVERT

THE CONFIDENT FEELER

THE CONFLICTED JUSTIFIER

Importance of Social Responsibility

Inner-directed